



Eastern Indiana Workforce Development Board
Providing WorkOne Leadership for Eastern Indiana
Blackford, Delaware, Fayette, Henry, Jay, Randolph, Rush, Union and Wayne Counties

Request for Proposal

for

Audit Service

RFP Issue Date: August 1, 2016

Key Dates:

Proposal Due Date: August 27, 2016, 10:00 A.M. EST

Provider Notification: September 12, 2016

Alliance for Strategic Growth, Inc. is an equal opportunity employer and will comply with all applicable nondiscrimination and equal opportunity provisions and laws.

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I. GENERAL INFORMATION

A. Background:

Alliance for Strategic Growth, Inc. (ASG) is a 501 (c)(3) Indiana not-for-profit, tax exempt corporation responsible for the administration and operation of employment and training services funded by state and federal resources by the Workforce Innovation and Opportunity Act and other funding streams to support the WorkOne Centers in Blackford, Delaware, Fayette, Henry, Jay, Randolph, Rush, Union and Wayne counties in Eastern Indiana.

B. Purpose:

This Request for Proposal (RFP) is to contract for a financial, programmatic and compliance audit, 990 and NP20 report for the year ending June 30, 2016 and verify financial information reported to the Corporate Board is accurate and reflect what is entered in the financial software.

C. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

D. Instructions on Proposal Submission

1. Closing Submission

Date

Proposals must be submitted no later than 10:00 AM Eastern Daylight Time on August 27, 2016.

2. Inquires:

Inquiries concerning this RFP must be made via email to Karen Green on behalf of the Alliance for Strategic Growth, kgreen@neinworks.org. Inquiries to other persons may disqualify the bidder from consideration.

3. Conditions of Proposal

All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by ASG.

4. Instructions to Prospective

Contractors

All proposals must be sent electronically to kgreen@neinworks.org with "Audit RFP" in subject line. It is the responsibility of the sender to make sure the file was received and compatible with ASG software and that the proposal is received by the date and time specified above.

Consideration of late proposals is at the option of ASG.

5. Right to Reject

ASG reserves the right to reject any and all proposals received in response to this RFP. It is understood that submitted proposals will become part of ASG official files without further obligation. A contract for the accepted proposal will be based upon the factors described in this RFP.

6. Small and/or Minority-Owned Businesses

Efforts will be made by ASG to utilize small businesses and minority-owned businesses.

An Offeror qualifies as a small business firm if it meets the definition of “small business” as established by the Small Business Administration (13 CFR 121.201).

7. Notification of Award

It is expected that a decision selecting the successful audit firm will be made within six (6) weeks of the closing date for the receipt of proposals or successful negotiation of contract terms, whichever is later. Upon conclusion of final negotiations with the successful audit firm(s), all Offerors submitting proposals in response to this Request for Proposal will be informed of the decision.

It is expected that the initial contract shall be for one (1) year.

E. Description of Entities and Records to be Audited

Alliance for Strategic Growth, Inc. (ASG) is an Indiana 501(c)(3) corporation. It is governed by a Board of Directors. Administrative offices are located at 201 E. Charles Street, Suite 150 Muncie, IN 47305.

Records for the audit are located at 201 E. Charles Street, Suite 150 in Muncie, IN 47305.

Bank Accounts	Est. # of checks written and ACH Transfers made/year
ASG-Main Account	1,310
ASG-Corporate Account	5
ASG Flexible Spending Account	100
ASG ACH Transfers between accounts	10

ASG uses the Kintera Fundware Financial System for its computerized financial accounting system which is subdivided by Fund to track revenue and expenses. ASG follows approved Cost Allocation Plans utilizing Excel spreadsheets to calculate the allocation percentages each month for pooled costs based on time charges. Some programs direct charge only and are excluded from the allocation pool. The percentages are entered into the Fundware Allocation module and applied to the appropriate general ledger accounts. Expenses are recorded by Fund and by Cost Center. ASG has a Main Account which serves as the operating account. Within the accounting systems the pooled charges are paid by the Main Account which is reimbursed as appropriate from any other funding sources, such as from the Corporate account.

ASG payroll is processed using the services of a payroll company. All staff payroll, all taxes and net checks are electronically collected by the respective contracted payroll company. Payroll information is submitted to the payroll company for checks and payroll reports. The payroll company makes all tax payments. Manual checks are issued for corrections as needed.

F. Options

At the discretion of ASG, this contract can be extended for two additional one-year periods. ASG and the Offeror will negotiate the cost for the optional periods. It is anticipated that the cost for the optional years will be based upon the same approximate cost per thousand dollars of audited expenditures as the contract for the initial year.

II. SPECIFICATION SCHEDULE

A. Scope of a Financial and Compliance Audit

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, hereinafter referred to as the "Offeror" to perform a financial and compliance audit of ASG. Compliance audit work will also involve reviewing participant eligibility based on grant requirements.

B. Description of Programs/Contracts/Grants

See Attachment A.

C. Performance

ASG records are to be audited through June 30 of each year of contract.

The Offeror is required to prepare audit reports in accordance with the *Government Audit Standards* (Current Revision), and any additional reports as required by ASG's funding agencies (i.e. Department of Workforce Development, etc.)

D. Delivery Schedule

The Bidder is to complete a financial and compliance audit for funds expended in the time period July 1, 2015 through June 30, 2016. The draft audit report should be available no later than February 28, 2017. The Bidder shall submit an electronic copy of the final audit report no later than March 10, 2017. The 990 form must be submitted no later than April 7, 2017.

Reports may be submitted earlier than the above schedule. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers audit reports which do not conform to all of the provisions of this contract, ASG may, by written notice of default to the Offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances ASG may extend this schedule upon written request of the Offeror with sufficient justification.

E. Price

The price proposed to cover the complete audit engagement and tax filing must be detailed. Include information on how this price was determined, including information on estimated hours, staff hourly rates, and projected out of pocket expenses.

The price for completion of the 990 and NP20 Annual Reports should be detailed separately.

If there is a cost to file extension reports include that cost as a separate item. Any late filings due to the fault of the Offeror will be at the Offeror's cost including penalties and/or interest.

F. Contracts

The maximum number of contracts resulting from this RFP will be one issued to the successful Offeror.

G. Payment

Progress payments will be allowed to the extent that ASG can determine that satisfactory progress is being made. Propose an expected payment schedule.

A final payment of at least 25% of the audit contract price will be made when ASG has determined that the total work effort has been satisfactorily completed. Should ASG reject the report, the ASG's authorized representative will notify the Offeror in writing of such rejection giving the reason(s). The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Offeror submits the final invoice for payment.

Upon delivery of the required number of bound and unbound copies of the final reports, their acceptance and approval, and successful filing with the Federal Audit Clearing House and State Board of Accounts, the Offeror may submit a bill to ASG for the balance due on the contract for the audit.

Upon acceptance and approval of the 990 and NP20 Annual Reports payment will be made for those reports.

H. Audit Review

All audit reports prepared under this contract will be reviewed by respective contractor and its funding sources to ensure compliance with General Accounting Office's (GAO), *Government Audit Standards* and other appropriate audit guides.

I. Exit Conference

An exit conference will be required with the opportunity for participation by ASG representatives at the conclusion of the field work. Observations and recommendations must be summarized in writing and discussed to the extent allowed. It should include internal control and program compliance observations and recommendations.

J. Work papers

Upon request, the Offeror will provide a copy of the working papers pertaining to the audit. The working papers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.

K. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to the respective contractor, the Offeror agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit other to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the Offeror's possession, to these employees on the Offeror's staff who must have the information on a "need-to-know" basis. The Offeror agrees to immediately notify, in writing, the Contractor's authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

L. AICPA Professional Standards

The AICPA Professional Standards state:

Ethics Interpretation 501-3 - Failure to follow standards and/or procedures or other requirements in governmental audits. Engagements for audits of government grants, government units or other recipients of government monies typically require that such audits be in compliance with government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards. If a member has accepted such an engagement, and undertakes an obligation to follow specified government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, he or she is obligated to follow such requirements. Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his or her report the fact that such requirements were not followed and the reasons therefor.

M. Disclaimer

Nothing in this RFP is intended to direct Offeror to conduct the audit in violation of existing audit standards. Offeror should call such discrepancies to the attention of ASG.

III. OFFEROR'S TECHNICAL QUALIFICATIONS

The Offeror, in its proposal, shall, as a minimum, include the following:

A. Prior Auditing Experience

The Offeror should describe its prior auditing experience including the names, addresses, contact persons, and telephone numbers of prior organizations audited in compliance for the most recent three year period. Offerors should document the level of complexity of the audits and if the audited agencies were multi-funded. Offerors should document specific experience with Employment and Training and similar programs. Experience should include the following categories:

1. Prior experience auditing grant-funded non-profit entities.
2. Prior experience auditing similar programs funded by the State of Indiana.
3. Prior experience auditing programs financed by the Federal Government.

B. Organization, Size, and Structure

The Offeror should describe its organization, size (in relation to audits to be performed) and structure. Indicate, if appropriate, if the firm is a small or minority-owned business. Offeror should include a copy of the most recent Peer Review, if the Offeror has had a Peer Review. If there has not been a Peer Review, the Offeror should submit why they are exempt from or not participating in Peer Reviews.

C. Staff Qualifications

The Offeror should describe the qualifications of staff to be assigned to the audits. Descriptions should include:

1. Audit team makeup
2. Overall supervision to be exercised
3. Prior experience of the individual audit team members

Only include resumes of staff to be assigned to the audits. Education, position in firm, years and types of experience, continuing professional education, state(s) in which licensed as a CPA, etc. will be considered. The audit staff listed in the response to this RFP shall be bound to actually perform the audit. Changes in the audit team composition at the Supervisor or Contractor-in-charge level or above must be approved by ASG.

D. Understanding of Work to be Performed

The Offeror should describe its understanding of work to be performed, including audit procedures, estimated hours, and other pertinent information. The Offeror should provide a copy (electronic or paper) of the work papers the contractor will be expected to complete to assist the Offeror in conducting the audit.

E. Certifications

The Offeror must sign and include as an attachment to its proposal the Certifications enclosed with this RFP. The publications listed in the Certifications will not be provided to potential Offerors by ASG, because ASG desires to contract only with an Offeror who is already familiar with these publications.

IV. PROPOSAL EVALUATION

A. Submission of Proposals

All proposals shall include the Offeror's technical qualifications, pricing information, and the signed Certifications. These documents will become part of the contract.

B. Nonresponsive Proposals

Proposals may be judged nonresponsive and may be removed from further consideration if any of the following occur:

1. The proposal is not received timely in accordance with the terms of this RFP.
2. The proposal does not follow the specified format.
3. The proposal does not include the Certifications.
4. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the *Government Audit Standards* of the U.S. Comptroller General (Current Revision).

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C. Proposal Evaluation

Evaluation of each proposal will be based on the following criteria:

<u>Factors</u>	<u>Point Maximum</u>
1. Prior experience auditing	
a. Prior experience auditing grant funded non-profit organizations	10
b. Prior experience auditing similar programs funded by State of Indiana	5
c. Prior experience auditing programs financed by the Federal Government	5
Contact will be made by ASG of prior audited organizations to verify the experience provided by the Offeror. Please include contact information on prior audited firms including point of contact, email address, phone number and address.	
2. Organization, size, and structure of Offeror's firm (Considering size in relation to audits to be performed)	
a. Adequate size of the firm	5
b. Minority/small business	5
3. Qualifications of staff to be assigned to the audit to be performed. This will be determined from resumes submitted. Education, position in firm, years and types of experience, continuing professional education, and State(s) in which licensed as a CPA, etc. will be considered.	
a. Audit team makeup	5
b. Overall supervision to be exercised	5
c. Prior experience of the individual audit team members	10
4. Offeror's understanding of work to be performed.	
a. Adequate staffing for audit completion	5
b. Realistic time estimates of each audit step	5
c. Realistic expectations of ASG staff	5
d. Organization/user friendliness of schedules	5
5. Price	<u>30</u>
MAXIMUM POINTS:	
	100

D. Review Process

ASG may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, ASG reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, which the Offeror can propose. The final approval of the selected contractor is subject to the review and approval by the State Board of Accounts.

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CERTIFICATIONS

On behalf of the Offeror:

- A. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
- B. The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.
- C. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
- D. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
- E. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
- F. The individual signing certifies that the Offeror is a properly licensed certified public accountant, or a public accountant licensed on or before July 1, 1998.
- G. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards* (Current Revision).
- H. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
- I. The individual signing certifies that he/she has read and understands all of the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.
- J. The individual signing certifies that the Offeror, and any individuals to be assigned to the audits, does not have a record of substandard audit work and has not been debarred or suspended from doing work with any federal, state or local government. (If the Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.)

Dated this _____ day of _____, 20 _____.

Bidder's Firm Name Printed

Printed Name of Signing Individual

Signature of Bidder's Representative

Title of Signing Individual

Attachment A - Funding Streams and Expenses

ASG PY15 PROJECTED EXPENSES FOR AUDIT RFP	
	Projections thru 6/30/16
WIOA Admin	\$249,305
WIOA Adult	\$1,225,312
WIOA Dislocated Worker	\$382,539
WIOA Youth	\$736,309
Jobs for America's Graduates	\$388,754
Integrated Services	\$445,061
Business Consultant	\$120,000
Rapid Response	\$47,368
Disability Grant	\$1,402
National Emergency Grant (NEG)	\$ 53,304
WorkINdiana	\$78,232
Career & Technical Education	\$1,183
Operation Job Ready Veterans	\$20,000
Ball Brothers Foundation	\$5,000
TANF JAG	\$25,000
Trade Assistance Act-Case Management	\$15,000
Total ASG Expenses	\$ 3,798,769

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